

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 003335

42

ORIGIN EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 STR-08 TRSE-00

COME-00 CEA-02 CIAE-00 DODE-00 FRB-02 H-03 INR-10

INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20

CIEP-02 SS-20 TAR-02 USIA-15 PRS-01 SPC-03 OMB-01

/192 R

DRAFTED BY EB/OT/TA:THGEWECKE;JW

APPROVED BY EB/ITP:JCRENNER

EB/TA:JWHOLMES

AGRICULTURE:DWANAMAKER

STR:HWILLIAMS

EUR/CAN:EMBROWN

EB/ORF:RSIMPSON

TREASURY:WBARREDA(INFO)

COMMERCE:DSCHLECHTY(INFO)

----- 042943

R 081502Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

INFO USMISSION GENEVA

LIMITED OFFICIAL USE STATE 003335

E.O. 11652: N/A

TAGS: GATT, ETRD, CA

SUBJECT; ARTICLE XIX, CHERRIES, AND BEEF

1. CANADIAN DELEGATION LED BY ROD GREY MET JAN. 3 WITH
DEPUTY ASSISTANT SECRETARY RENNER AND REPS OF USDA AND STR
TO DISCUSS SURTAXES ON CHERRIES AND BEEF.

2. RE SPECIFIC COMPENSATION IN CHERRY CASE, GREY SAID
CANADA WILLING TO CONSIDER COMPENSATION IN FORM OF BINDING
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 003335

OF SOME OF FEB. 1973 UNILATERAL REDUCTIONS UNTIL FEB. 20,

1974. IF U.S. WILLING TO DISCUSS COMPENSATION WITHIN THESE PARAMETERS, GREY SUGGESTED TECHNICAL MEETING TAKE PLACE SOON TO WRAP UP CHERRY ISSUE. RENNER SAID U.S. WOULD CONSIDER CANADIAN PROPOSAL AND RESPOND SOON THROUGH DIPLOMATIC CHANNELS. HE SAID THAT WILLINGNESS TO EXAMINE CANADIAN PROPOSAL CARRIED NO CONNOTATION THAT U.S. RESPONSE WOULD BE POSITIVE AND THAT LIMITATION IMPOSED BY MENTION OF FEB. 20 DATE GREATLY REDUCED CHANCE OF ARRIVING AT MUTUALLY ACCEPTABLE SOLUTION. GREY SAID THAT CANADA MIGHT BE ABLE TO BE FLEXIBLE ON THIS SCORE.

3. ON BEEF, GREY SAID HE EXPECTED GOC TO ANNOUNCE PHASE OUT OF SURTAX ANY DAY AND EXPLAINED CANADIAN FAILURE TO NOTIFY GATT AS PREOCCUPATION WITH GETTING MEASURE REMOVED AND DOUBT THAT CRITERIA FOR ARTICLE XIX ACTION HAD BEEN MET.

HE SAID CANADIAN MINISTERS WOULD NOT LIKE IDEA OF PAYING COMPENSATION FOR MEASURE THEY FELT NECESSITATED ONLY BY U.S. EXPORT CONTROL ACTIONS OF LAST SUMMER. WHILE GREY COULD NOW SEE STRONGER CASE FOR INVOKING ARTICLE XIX THAN BEFORE, GOC RELUCTANT TO ENCOURAGE SLOPPILY JUSTIFIED ARTICLE XIX ACTIONS IN OTHER COUNTRIES, AND WAS CONSIDERING NOTIFYING GATT AS A SPECIAL CASE, SUCH AS WAS DONE WITH 1962 BOP SURCHARGE. HE ASKED U.S. VIEW. RENNER SAID CANADIAN RESTRICTIONS ON BEEF AND CATTLE SEEMED LIKE STRAIGHT FORWARD ARTICLE XIX CASE TO US AND WE HAD BEEN URGING CANADIANS TO NOTIFY GATT EVER SINCE MEASURE IMPOSED NOV. 2. GREY ASKED WHAT U.S. WOULD DO IF CANADIANS DID NOT NOTIFY UNDER XIX AND HINTED THAT U.S. SHOULD INVOKE ARTICLE XXIII. RENNER ASKED GREY WHETHER HE REALLY THOUGHT IT WOULD BE DESIRABLE TO HAVE AN OPEN U.S.-CANADIAN FIGHT IN GATT AT THIS TIME. GREY BACKTRACKED AND ADMITTED THAT THIS WOULD NOT BE USEFUL. IN RESPONSE TO GREY'S REPEATED QUESTION REGARDING U.S. ACTION IN THE ABSENCE OF ARTICLE XIX NOTIFICATION, RENNER SAID U.S. PROBABLY WOULD ACT AS IF CANADA HAD NOTIFIED AND WOULD REQUEST COMPENSATION UNDER ARTICLE XIX. ON QUESTION OF U.S. ACTIONS WHICH ALLEGEDLY PROVOKED CANADIAN MEASURE, RENNER NOTED NOTHING IN GATT INDICATED BINDINGS WERE CONDITIONAL ON OTHER COUNTRIES FOLLOWING CERTAIN ECONOMIC POLICIES AND SAID ISSUE OF WHAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 003335

PROVOKED CANADIAN ACTION WAS IRRELEVANT. GREY SUGGESTED CANADIAN DECISION WOULD BE MADE EASIER IF GOC KNEW NATURE OF U.S. COMPENSATION REQUEST. RENNER DOUBTED WHETHER THIS WOULD BE USEFUL PRIOR TO CANADIAN NOTIFICATION. GREY SAID THAT HE WOULD BE IN A DIFFICULT POSITION IF HE PERSUADED HIS MINISTERS TO NOTIFY AND THEN WAS CONFRONTED WITH PUNITIVE U.S. DEMANDS FOR COMPENSATION. RENNER REPLIED THAT OUR FIRST OBJECTIVE WAS TO GET RID OF THE NEW

RESTRICTIONS ON BEEF AND CATTLE, THAT OUR SECOND OBJECTIVE WAS TO GET ADEQUATE COMPENSATION, AND THAT WE WERE INTERESTED IN PROMOTING U.S. EXPORTS AND NOT IN PUNISHING CANADA.

4. REPORT OF RENNER-GREY DISCUSSION OF INTERPRETATION OF ARTICLE XIX FOLLOWS IN SEPTEL.

KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE003335
Document Source: CORE
Document Unique ID: 00
Drafter: THGEWECKE;JW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740156/aaaacanl.tel
Line Count: 124
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 11 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 APR 2002 by boyleja>; APPROVED <25 APR 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARTICLE XIX, CHERRIES, AND BEEF
TAGS: ETRD, CA, US, GATT
To: OTTAWA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005